

REQUEST FOR PROPOSAL

Smart Growth - Arts & Entertainment District

BALTIMORE CITY IS SPONSORING A COMPETITION TO AID IN SELECTION OF ITS FIRST ARTS & ENTERTAINMENT DISTRICT PROPOSAL, TO BE PRESENTED TO THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT AND CONSIDERED WITH OTHER PROPOSALS FROM THROUGHOUT THE STATE OF MARYLAND.

Senate Bill 586

“Authorizes the Department of Business and Economic Development (DBED) to establish arts and entertainment districts within a county or municipal corporation. Counties and municipal corporations must apply to DBED to have an area designated as an arts and entertainment district. The district must be wholly within a priority funding area and a designated neighborhood. The bill expands the permissible uses of the Maryland Economic Development Assistance Fund to allow DBED to use the fund to provide financial assistance to arts and entertainment enterprises and arts and entertainment projects.

Bill Summary: The bill creates a subtraction modification under the Maryland income tax for the amount of income derived from the publication, production or sale of artistic work that is created by a “qualifying residing artist,” who owns or rents residential property in the district and conducts business in the district.

The bill provides for a property tax credit against the county or municipal corporation property tax imposed in a manufacturing, commercial or industrial building that is located in an arts and entertainment district, and is wholly or partially renovated for use as housing for qualifying residing artists. The property tax credit cannot be granted for more than ten years.

Finally, a county or municipal corporation may exempt from the admissions and amusement tax gross receipts any admissions or amusement charge levied by an “arts and entertainment enterprise” or qualified residing artist in an arts and entertainment district.

State Revenues: If arts and entertainment districts are authorized, general fund revenues could decline by an indeterminate amount. The revenue loss depends on the number of districts created, the income of qualifying residing artists from sales or performances within the district, which in turn depends on the size of the district and the number of qualifying residing artists. In any case, the revenues loss would not begin until tax year 2002 because the counties are required to notify the Comptroller of the establishment of an arts and entertainment district by July 1 of the year prior to the applicability of the subtraction modification.

General fund revenues could increase through increased income and sales tax collections if new restaurants, theaters, and other businesses are started as a result of this bill or if existing businesses experience increased sales. The amount of this increase, if any, cannot be reliably determined.

Local Revenues: Revenues for local jurisdictions that designate arts and entertainment districts would decline by about 2.77% of the total subtraction taken against the State income tax beginning in tax year 2002.

Participating jurisdictions’ property tax revenues would decrease to the extent that property tax credits are claimed for buildings that are renovated to provide housing for qualifying residing artists.

Revenue would also decline due to the exemption from the admissions and amusement tax. On the other hand, the participating jurisdictions’ property tax revenues could increase to the extent that nonproductive real property becomes productive or property is used more intensively for commercial purposes. This would cause assessments and therefore property tax revenues to increase.

Small Business Effect: Qualifying residing artists are individuals who own or rent residential property in an arts and entertainment district and conduct a business in the district. The sales tax exemption could increase demand for the artistic work of qualifying artists. Thus, the benefits of this proposed bill would go directly to owners of presumably small businesses in the form of increased sales and increased after-tax income.

The creation of the arts and entertainment district could cause an increase in the number of restaurants, theaters and similar businesses. Some portion of the new businesses, in any, could be small businesses.”

PROPOSAL CONTENT

Proposals should include, but not necessarily be limited to the following:

- ◆ Completed application form including a list of the members of the group submitting proposal.
Group must include a minimum of one Community Organization, a group of five Artists, one Arts Organization, Group and/or Gallery, one Arts Educator and one Developer.

- ◆ An index of proposal materials.
- ◆ A brief narrative, five pages or less, describing/elaborating on the proposed district, the vision your group would bring to it, what the group would do to promote the district, how the group would leverage the designation to gain the interests of others to invest or participate in the district and the stability of the sponsoring organizations i.e., how capable is the group towards making the district a real arts and entertainment district, etc.
- ◆ Descriptions of relevant experience and examples of work performed to date.
- ◆ Your proposed scope of services of the arts and entertainment district.
- ◆ A timeline to implement your scope of services.
- ◆ An 8 ½ x 11” street map outlining the targeted district and the area the district serves.
- ◆ Letters of support from merchants, civic organizations and citizens (attach as many as appropriate to illustrate the breadth of neighborhood support for the neighborhood’s arts and entertainment district revitalization effort).
- ◆ Up to twenty (20) labeled slides of the proposed district, showing streetscapes and key buildings.
- ◆ Up to ten (10) labeled black/white photographs.
- ◆ A detailed list of data and other information Baltimore City will need to analyze your proposal.

APPLICATION

Name of proposed Arts and Entertainment District: _____

Name(s) and title(s) of person(s) preparing this application (*please attach additional sheets if needed*):
1) Name: _____
Title: _____
Mailing Address: _____
Telephone: _____
Fax and e-mail: _____
Signature: _____

2) Name: _____
Title: _____
Mailing Address: _____
Telephone: _____
Fax and e-mail: _____
Signature: _____

Committee and affiliate organizations or other individuals *active* in preparing this application and proposal materials (*please attach additional sheets if needed*).

PROPOSAL EVALUATION

A small committee comprised of public and private sector representatives will review proposals. The committee will narrow down the pool of respondents to two finalists, each of whom likely will be interviewed by the committee. The committee will make its recommendation and the selected proposal/district for Baltimore City will be announced at the Mayor’s Press Conference in early October in celebration of Arts & Humanities Month.

PROPOSAL SUBMISSION

Deadline for submission of proposal is Friday, September 14, 2001. Please submit five (5) copies of the proposal to the Mayor’s Advisory Committee on Art and Culture, Attn: Arts & Entertainment District Proposal, 21 S. Eutaw Street, Baltimore, Maryland 21201

Questions about the RFP should be directed to:

Denise Tassin at 410-396-4575 or fax: 410-727-4840 or dtassin@macac.org, Monday – Friday, 8:30 a.m. to 4:30 p.m.